

HOMESEEKER



HOMESEEKER DOWNPAYMENT ASSISTANCE PROGRAM CONSUMER FACT SHEET

PROGRAM OVERVIEW

The HomeSeeker Down Payment ("DPA") Program will provide a \$16,000 incentive to qualified homebuyers to purchase a primary residence in targeted areas in New Jersey. HomeSeeker DPA loans are only available to eligible homebuyers who obtain first mortgage financing through the New Jersey Housing and Mortgage Finance Agency's ("NJHMFA") Homeward Bound Homebuyer Mortgage Program at www.theroadhomenj.com

AVAILABLE FUNDS

\$16,000,000 of federal Hardest Hit Funds (HHF) are allocated for this program to assist approximately 1,000 homebuyers.

DURATION OF PROGRAM

The program will continue until December 31, 2020 or until funding is fully reserved, whichever comes first.

PROGRAM GOAL

The goal of the HomeSeeker DPA Program is to provide a \$16,000 incentive to homebuyers to choose a property within a targeted hardest hit neighborhood. Encouraging homeownership in housing markets that have been hardest hit by foreclosures will strengthen demand in those areas, stabilize the housing market and prevent future foreclosures.

TARGET AREAS

NJHMFA evaluated all 21 New Jersey counties and identified the targeted areas based on seriously delinquent mortgage loans, negative equity, short sales, REO sales and foreclosures.

The following counties are targeted and eligible for this program:

Atlantic, Camden, Essex, Gloucester, Passaic and Union

BORROWER ELIGIBILITY

- Eligible borrower(s) must qualify and meet all requirements for an NJHMFA first mortgage loan, Homeward Bound Homebuyer Mortgage Program, originated through an NJHMFA participating lender.
- The Borrower(s) must be a first-time homebuyer.
 - A first-time homebuyer is defined as someone who has not had an ownership interest in their primary residence during the previous three (3) years.
- Veterans are exempt from the three (3) year ownership rule and are granted a Veteran's Exception.
- Borrowers must meet the minimum FICO score of 620.



NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

- Borrower(s) may not possess enough liquid assets to close a mortgage loan at less than 80% LTV.
- Any Borrower in violation of the Dodd-Frank Act for having been convicted of a mortgage related felony in the past ten years is ineligible.
- Any Borrower receiving HomeSeeker DPA funds will not be eligible for other down payment assistance programs offered by the NJHMFA.

INCOME LIMITS

The Borrower(s) must not exceed 140% of the Area Median Income (AMI). Income is based on the total household income. The maximum limits are as follows in the individual counties:

- Atlantic, Camden & Gloucester - \$127,680
- Essex & Union - \$131,880
- Passaic - \$135,100

PURCHASE PRICE LIMITS

The property must not exceed the maximum purchase price limit in all counties of \$437,349 for existing one family dwellings or \$559,854 for existing two to four family dwellings.

OCCUPANCY

Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the HomeSeeker DPA loan.

PROPERTY ELIGIBILITY

- Property must be a single-family home, condominium, townhome, manufactured or mobile home which is permanently affixed to real property owned by the Borrower, or a two to four family dwelling unit of which one unit is to be occupied by the mortgagor as his or her principal residence.

- Property must be the Borrower's primary residence.
- Property must be an existing residential dwelling.
- New construction is not permitted.

HOUSING COUNSELING

All Borrowers must receive housing counseling through a HUD approved housing counseling agency. Housing counseling is required prior to loan closing and it is the Borrower's responsibility to provide a Homebuyer Education Certificate as proof of counseling to their lender. This certificate is required to be included in the loan closing package. To find a HUD approved counseling agency visit HUD.gov, enter "NJ Housing Counselors" in the search box and you will be directed to the list. HUD counseling agencies may charge reasonable and customary fees to provide homebuyer education. All counseling fees are the responsibility of the Borrower.

LOAN TERMS

The NJHMFA will make HomeSeeker DPA loans for down payment assistance, including closing costs, in the amount of \$16,000 to qualified borrowers purchasing in the target areas listed above. The interest rate on the HomeSeeker DPA second mortgage is 0% for a five (5) year forgivable term. There will not be an add on to the interest rate of the first mortgage. Interest rates for NJHMFA first mortgages can be obtained from an NJHMFA participating lender, the list of which can be found at www.theroadhomenj.com. The Note and the Mortgage are closed in New Jersey Housing and Mortgage Finance Agency's name and not the lender's. The borrower may repay the unpaid principal in full or in part at any time before it is due. If the Borrower continuously resides in the premises, as their principal residence for five (5) years from the date of the closing of the loan, the loan will be deemed satisfied and a cancellation of mortgage/release of lien will be issued to the Borrower. If the Borrower conveys, refinances or ceases to occupy the premises as their principal residence, all of the unforgiven loan funds will be due and payable from net equity proceeds.

**TO LEARN MORE, VISIT
WWW.THEROADHOMENJ.COM
OR CALL 1-800-NJ-HOUSE.**



1-800-NJ-HOUSE  WWW.NJHOUSING.GOV

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